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RHMFISS/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 000562

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TAGS: [PTER](#) [PGOV](#) [ASEC](#) [MARR](#) [UN](#) [NP](#)

SUBJECT: AMBASSADOR TELLS PARTY LEADERS PRACHANDA'S REMARKS
DANGEROUS

Classified By: Ambassador James F. Moriarty for reasons 1.4(b/d).

Summary

11. (C) In separate meetings March 12 and March 14 with the leaders of the Nepali Congress-Democratic (NC-D) and the Communist Party of Nepal-United Marxist Leninist (CPN-UML) the Ambassador expressed his concern about Maoist leader Prachanda's remarks regarding a royalist plot to kill American officials. The Ambassador stressed that Maoist cadre could interpret Prachanda's remarks as a license to kill American officials. The Ambassador asked both leaders to deliver the message to Prachanda that the U.S. sought assurances from the Maoist leadership that their cadre had been instructed not to attack Americans. The Ambassador and the two political leaders also discussed arms management, Maoist abuses, the inclusion of ethnic minorities in the new government, the lack of Maoist support in the countryside and possible Maoist strategy.

Ambassador Demands Evidence of Plot

12. (C) The Ambassador stressed to both Sher Bahadur Deuba, President of the Nepali Congress-Democratic (NC-D), and M.K. Nepal, General Secretary of the Communist Party of Nepal-United Marxist Leninist (CPN-UML), concern about Prachanda's March 8 remarks alleging a royalist plot to kill American officials. The Ambassador explained that Prachanda had created a very dangerous situation since Maoist cadre could easily interpret his comment as a sanction to kill U.S. officials and blame it on the royalists. The Ambassador told both leaders that he had met with Home Minister Sitaula March 9 to express his concerns and had asked for three things: 1) evidence of the alleged plot, if such evidence actually existed; 2) if no evidence existed, an announcement by the Government of Nepal (GON) that no evidence existed, and 3) assurances from Prachanda that he had informed his cadre that his remarks did not authorize violence against U.S. officials and that the Maoist leadership condemned any act of violence against U.S. officials. Both Deuba and M.K. Nepal assured the Ambassador they would speak to Prachanda.

Arms Management Flawed

¶3. (C) Deuba told the Ambassador that he believed the Maoist had more "good" weapons that were not turned in and expressed his frustration with the March 9 UN arms registration report.

M.K. Nepal also expressed frustration with the arms management process, and told the Ambassador about his visit to Dahaban, one of the cantonments in Rolpa District. At Dahaban camp, M.K. Nepal had observed combatants opening the storage units to inspect and clean the weapons. Even with UN observers, he noted, the Maoists retained control over their weapons. The CPN-UML General Secretary was concerned as well about how long people could be kept in these camps. The Ambassador agreed and noted that proper identification and registration of the Maoist combatants would be the focus of the second phase of the arms management process and would in theory reduce the number of so-called combatants in the camps.

Maoist Abuse Ongoing

¶4. (C) The Ambassador emphasized in both meetings that he had received reports that the Maoists were continuing to deploy violence against businesses. Deuba acknowledged that the Maoists were pressuring the management of companies and industries to recruit more and more workers the businesses did not need. For example, both Deuba and M.K. Nepal expressed concern that Prime Minister Koirala was giving the Maoists too much leeway and both leaders expressed continuing frustration with Home Minister Sitaula's refusal or inability

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to act against Maoist atrocities. Both leaders expressed willingness to support the Prime Minister if he took a hard line with the Maoists; both leaders wanted to see the Home Minister's resignation.

Inclusion of Ethnic Minorities

¶5. (C) The NC-D President and the Ambassador agreed that the GON should have engaged in a dialogue with Madhesi and other historically disadvantaged ethnic groups before the Interim Parliament voted on amendments to the Interim Constitution. The Ambassador explained that PM Koirala had told Under Secretary Fore and him March 10 that Koirala had asked

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Speaker Subash Nemwang to hold a roundtable. Deuba supported the idea of a roundtable with leaders from all the ethnic groups to promote their "buy-in" to the Constitutional Amendments.

Identity of Deputy Prime Ministers Uncertain

¶6. (C) Deuba expressed concern that the Prime Minister would give the Deputy Prime Minister position to a Maoist. The Ambassador stated that he had advised Koirala to appoint more than one deputy prime minister and to ensure that the senior DPM was not a Maoist. Both Deuba and M.K Nepal complained that they had been unable to get a meeting with the Prime Minister to discuss this issue. (Comment: USAID-contracted peace facilitator Retief Olivier (please protect) told the Ambassador March 16 he had heard there would be three Deputy Prime Ministers: one from NC-D (Deuba), one from the Maoists (Spokesperson and senior MP Krishna Mahara), and one from UML. According to Olivier, it was expected that Nepali Congress - Democratic would reunify with Koirala's larger Nepali Congress immediately after the interim government was formed. Olivier added that it was not clear yet, however, if the Maoists would join an interim government. End Comment.)

Maoists Losing Support in the Countryside

17. (C) M.K. Nepal told the Ambassador that he had just returned from the Far West where he witnessed declining support for the Maoists. He told the Ambassador that there were huge turn-outs at the public forums held by the UML in spite of Maoist obstruction, including road blocks and intimidation. The UML General Secretary stressed that even in the heart of Maoist territory, in districts such as Rolpa, Pyuthan and Salyan, people participated in public meetings. M.K. Nepal stated that the Maoists knew they did not have the support to win and were thus looking for ways to delay the elections. He expressed concern that a delay would give the Maoists more time to expand their militia. If the elections did not take place in June, the Prime Minister would be blamed. M.K. Nepal cautioned that as soon as the Maoists entered the government, Maoist terror would escalate and destroy the climate for proper elections.

Maoist Strategy Debate

18. (C) The NC-D President commented that there were two Maoist groups: one led by Baburam Bhattarai and one led by Krishna Bahadur Mahara. Bhattarai's group was in a hurry to enter the government and cared little about the elections. In contrast, Mahara's group was pushing for elections. The Ambassador noted that the Maoists were looking at two possible options for gaining power. One was to enter the government through the electoral process. The second, and by far the more dangerous, was to use "street power" to take over the government. Deuba acknowledged that the Maoist Youth Communist League was very dangerous and questioned whether the Nepal Army (NA) would move against the Maoists if they attempted a coup. The Ambassador replied that if the Maoist attempted a coup, he believed the NA would follow the

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government's orders.

Comment

19. (C) We will keep pressing for assurances from Prachanda that he has instructed his cadre not to harm U.S. officials or other U.S. Mission personnel. More broadly, ongoing Maoist abuses, an as yet inadequate UN arms management process, and a Home Minister unwilling to enforce the law give us little comfort. The Maoists appear to be wrestling with a choice: to make the minimum necessary changes in behavior to join the interim government or to stay outside. While most Nepali political leaders assume that the Maoists are dead set on entering the government, Prachanda and company may well have divergent views on this course of action.

MORIARTY